

For: FSA State and County Office Employees

FSA Performance Management Program Improper Payments Standard

Approved by: Deputy Administrator, Management



1 Improper Payments Standard Modification

A Background

The Improper Payments standard provided in Notice PM-2606, subparagraph 4 N has been determined impractical for many offices. Therefore, the standard is being modified.

B Purpose

This notice provides the new required standard for improper payments.

C The Statutory Definition of an Improper Payment

An improper payment is any payment that should not have been made or that was made in an incorrect amount (including overpayments and underpayments) under statutory, contractual, administrative, or other legally applicable requirements and includes any:

- payment to an ineligible recipient
- payment for an ineligible service
- duplicate payment
- payment for services not received
- payment that does not account for credit for applicable discounts.

Guidance from OMB adds the following to the statutory definition, “In addition, when an agency’s review is unable to discern whether a payment was proper as a result of insufficient or lack of documentation, this payment must also be considered an error.”

Disposal Date	Distribution
October 1, 2008	All FSA State and County Office employees; State Offices relay to County Offices.

Notice PM-2615

1 Improper Payments Standard Modification (Continued)

D Improper Payments Standard

All Field Office employees who work with Farm Program payments shall have the following standard in the “Program Management”, “Execution of Duties”, or similar element:

“Successfully completes FSA IPIA training requirements and ensures that agency Corrective Action Plan (CAP) procedures are followed to ensure that payments are accurate and that required payment documentation is up-to-date and on file.”